



Attorney General Jon Bruning

NEWS RELEASE

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Bruning Warns Consumers About Mortgage Foreclosure Scams, Check Fraud and Advance-Fee Loans

March 2-8 is Consumer Protection Week

Note: Sound bites on this topic will be available at: <http://www.ago.ne.gov>

(Lincoln, Neb) Attorney General Jon Bruning warned Nebraska consumers about scam artists who prey on people struggling to make house payments as part of National Consumer Protection Week, March 2-8.

“If any company claims it can stop foreclosure if you sign a document appointing its representatives to act on your behalf... BEWARE,” said Bruning. “You could lose your home and your equity.”

The mortgage foreclosure crisis is sweeping across the nation and hitting us here at home. Mortgage foreclosures in Nebraska increased 31 percent in 2007. The state ranks 25th in the nation for foreclosures.

Bruning was joined at the announcement by John Munn, Director of the Department of Banking and Finance. The Department proposed legislation that provides protection to homeowners dealing with foreclosure. The bill regulates foreclosure consultants and equity purchasers plus adds a criminal penalty for violations.

“If the Nebraska Mortgage Foreclosure Protection Act becomes law, the attorney general will have better tools to protect Nebraskans facing the possibility of foreclosure on their home,” said Munn.

Check Scams

Check scams are also a big consumer issue in Nebraska. Lincoln Postmaster Kerry Kowalski warned Nebraskans not to fall for a fake check scam.

“No one who wants to give you money should ask you to send them money,” he said.

U.S. Postal Inspector, Paul Beekhuizen added, “Fake checks are a problem. I’ve seen thousands. Don’t send your real money to scammers in hopes of getting money that doesn’t exist.”

Advance Fee Loans

Some people struggling to make ends meet may consider advance-fee loans to help ease the financial pinch.

“Consumers are blinded by the convincing promises of the loan, and they don’t see the sting coming. No legitimate lender will ever ask you to pay a fee in advance to obtain a loan. If someone does, just say no.” said Jim Hagerty, President of the Better Business Bureau.

First Assistant U.S. Attorney, Mick Mickle and Investigator Ed Sexton from the Lincoln Police Department also joined Bruning to kick off National Consumer Protection Week.

For more information about mortgage foreclosure, scams and consumer tips go to the Attorney General’s Web site at www.ago.ne.gov. Additional information is also available at: www.fakechecks.org, www.bbbnebraska.org, and www.ndbf.org.

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